

**Information Services Board Meeting Minutes - July 14, 2000**

Department of Information Services Boardroom, The Forum Building  
Olympia, Washington

***Members Present:***

Emilio Cantu  
Joe Dear  
Clare Donahue  
Tom Fitzsimmons  
Steve Kolodney  
Marsha Tadano Long  
Mary McQueen

***Others Present:***

Paul Taylor

***Members Absent:***

Lisa Brown  
Jayasri Guha  
Ed Lazowska  
Renee Radcliff  
James West  
Cathy Wolfe

**Call to Order**

Mr. Joe Dear, Information Services Board (ISB)  
Chair, called the meeting to order.

**Roll Call**

A sufficient number of members arrived to constitute  
a quorum.

**Approval of Minutes**

Minutes from the May 8, 2000 meeting were  
approved.

**Department of General  
Administration RfQQ Update  
Status Report**

Mr. Dave Koch, Senior Technology Management  
Consultant, Department of Information Services  
(DIS), introduced Marsha Tadano Long, Director of  
the Department of General Administration (GA), to  
present the quarterly report on the use of personal  
and purchased services contracts for information  
technology (IT) services. GA was able to proceed  
with this limited pilot project only through the specific  
delegation by the Board in October 1999.

Ms. Long introduced Bill Joplin, Contract Manager  
for the Office of State Procurement. She preceded  
the report with an update on the Ultimate Purchasing  
System. GA received approval by the Board in  
December 1999 to pursue this Internet-based  
purchasing system for state government.  
Washington State is believed to be the first public  
entity in the nation to implement such a system, and  
it has already received national media and high  
visibility. The project is expected to save staff hours  
and reduce the state's purchase prices.

**Department of General**

The first Request for Proposal (RFP) was released in

**Administration RFQQ Update**  
**Status Report**  
*(continued)*

November 1999 cancelled and re-released in December 1999. AMS – American Management Systems partnering with ARIBA – was named the apparently successful vendor in April 2000. The contract was signed in June and the pilot began, with actual pilot transactions anticipated for the end of August 2000. Version seven of the ARIBA software is delayed by 60 days and Ms. Long expects to know the impact of this delay on the project by the end of the month. She thanked DIS and the Office of Financial Management (OFM) for their support.

Ms. Long reported on the RFQQ for the Optional Use Contract. She noted that while the activity level was not high, they were expecting that increased volume during the rest of the biennium would recoup the front-end costs. In reviewing related developments, she noted the Office of the Attorney General (AGO) had been asked for clarification about the authority of GA to contract on behalf of state agencies and subdivisions for information technology. To address concerns about work outside of contract scope and about the lack of monitoring for follow-on use, they asked the State Auditor's Office to review GA's process. GA provided copies of a jointly requested letter from the Office of the Attorney General and a report from the State Auditor, along with a chart outlining the rules and responsibilities of each entity, and a work order form speaking to the responsibilities of the agency, vendor and GA.

Bill Joplin reported that GA added control steps to the contracting process and initiated internal procedures to assure that the steps are followed with each work order. They expanded the breadth by notifying all of the vendors that are pre-qualified of a request for work. They began training the suppliers and the customers on the contracting process, and added language to the contracts that clarified the customer's and the supplier's roles and responsibilities. GA has similar two-tier master contracts that will be available to state and local government that were conducted under the delegated authority offered to GA by OFM.

Concerning the IT services contract, GA processed 20 work orders, three of which have been completed, and contacted 99 pre-qualified vendors to determine their interest in bidding. For the three completed work orders, GA received report cards indicating that the three projects were completed on time and within the budget proposals. In a situation of poor contract performance, GA cancelled the contract

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within 24 hours of receiving word of the problem and replaced the supplier with one of higher skill. A report card was completed for the project. Report cards remain on files so customers can examine them for performance issues.

Pat Kohler expanded upon Ms. Long's testimony. The AGO said that for GA to do IT purchases and personal service contracts, they needed either DIS's or the Board's authority or delegation.

In its examination of three work orders, the Auditor found that GA had adequate controls to ensure compliance with the relevant procurement requirements. The report indicated that GA had complied with relevant state law and was compliant as to filings with OFM for personal service contracts for the three work orders.

The Auditor recommended that GA develop formal policies and procedures for this type of contracting if granted the authority to continue, define in writing GA's and participating agencies' responsibilities in the contract, and take appropriate steps if a vendor or agency violates the work order or contract terms. Further, GA and the Board should each spell out their responsibilities relating to these contracts in writing.

There were questions from Senator Cantu and Mr. Tom Fitzsimmons about the roles and responsibilities of GA and the agencies on a contract, and about the contract scope. Ms. Long clarified that it is GA's job to assure the work orders is within the scope of the initial contract, and the agency's job – once it has selected a vendor and they have agreed on the details – to keep the work within the contract's scope. Contract administration resides with GA; project monitoring, management and administration reside with the agency as they always have.

Ms. Clare Donahue questioned the small sample size of the Auditor's study: three work orders out of 20, representing \$38,000 out of the original potential of \$12 million. Ms. Kohler replied that the Auditor had reviewed the entire contracting process for adequate controls, and the three completed contracts only for performance and vendor reporting. When GA developed the process, they took into account the House Select Committee's values on vendor contracting including realistic solutions, fiscal constraints, and a streamlining of the process

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when practical. GA believes its process provides both fiscal accountability and streamlining. It protects against contract abuse by describing the specific services to be performed, and by identifying the deliverables, work period and budgeted amount for services. A signed responsibility statement on the scope and the work order alerts vendors to GA's ongoing performance tracking.

Senator Cantu asked who was responsible for determining whether appropriate value was received in relation to dollars spent on a project. Ms. Long replied that it rests where it has always resided outside of this particular process, and that is with the agency.

Ms. Donahue asked about performance tracking. Mr. Joplin said that the report card an agency completes about a project is kept on file so other agencies beginning a similar contract can learn about a vendor's past performance. The vendors agree to the report card process during the solicitation itself. There is no appeal process if a vendor disagrees with the report card.

Mr. Steve Kolodney asked how the vendor pool was kept fresh. Mr. Joplin replied that the pilot established an initial pool. If the pilot continued, the pool would be updated annually and would also be opened if there were insufficient competition in work area.

Ms. Long said customers have attested to their satisfaction with the contracting process. Of the 16 agencies that participated, only five have used it to date. GA has heard from 16 other state agencies and 18 political subdivisions that are interested in participating in the next IT contract. She asked the Board about the feasibility of doing another similar contract.

Mr. Earl Heister asked for a set of criteria for judging the success of this endeavor, and whether the state overall really saved money on it. Ms. Long said that GA had not recouped its up front cost because usage was not as high as anticipated. By using GA's two-tier process, an agency can save about 128 hours in work time; the lapsed time savings is about 55 calendar days. Mr. Heister asked that GA provide in the next report actual numbers about agencies' cost savings as a basis for the Board's next recommendations.

Senator Cantu said that from the outset in October

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1999, his concerns have focused on accountability for the activities that take place under the optional use personal and purchased services contracts. As originator of the contracts, the Department of General Administration (GA) is responsible for their proper administration and all agency activities under them—including those about which GA may have no knowledge.

He also said that the Office of the Attorney General (AGO) has confirmed that GA cannot enter into such contracts without delegation from the Information Services Board (ISB). In delegating to a pilot effort to enter into such agreements, the ISB vouches for the ability to administer the contracts. A fair reading of the AGO memorandum indicates that, given the authorizing environment, the ISB is still accountable for activities under the contracts, notwithstanding the originating agency's performance as administrator of these contracts. He said he remains concerned what the current pilot places GA in the middle of the relationship between agencies and vendors, where it remains accountable for problems that are out of its view.

In a document provided to the Board, Senator Cantu summarized the outstanding issues as: efficiencies not documented or proven (including the dollar volume breakpoint for recovering its costs in establishing and administering the contracts under the pilot model); method of monitoring performance and cost accounting not defined; contact administration untested; the need to define roles and responsibilities; scope of activity should be limited to state agencies; and the pilot model raises convenience over good planning.

Mr. Kolodney said that the contract should be dedicated to state agencies since the Board cannot separate itself from the responsibility of the contract and cannot oversee what's happening in cities and counties. Second, since the portfolio management risk matrix is part of the Board's policy and practice, it would be helpful to include a risk matrix with the work order. He supported in general the Senator's position.

Ms. Donahue supported the Senator's recommendations, particularly on the basis that in the other model, the Board would be setting a precedent for any agency to come forward and change its business practices relating to IT. Ms. Mary McQueen suggested that, based upon the time

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saved and the assurances that help agencies, the Board revisit the idea of a pre-qualification list versus a contract. Mr. Fitzsimmons said that the Board needed further discussion and other models brought to the table.

Chairman Joe Dear observed that, first, GA in good faith trying to facilitate the business of state government. Second, Senator Cantu wants to assure that taxpayer dollars are well managed and state laws are accurately followed, and that the Board has assurance that areas under its authority are properly under control.

After discussion, Senator Cantu's original motion was amended to provide the following direction to GA:

1. The pilot model not be renewed, not extended, without further action of the Board.
2. For the purposes of the pilot:
  - GA act on recommendations of the Independent Accountant's Report from the State Auditor;
  - GA engage the State Auditor to perform additional procedures, and express an opinion on the sufficiency of its internal controls, and (with the Office of the Attorney General as necessary) address its legal responsibility for contract administration and the maintenance of appropriate controls;
  - GA develop a disciplined metric for assessing the value received under contracts; and ,
  - GA continues to develop written quarterly reports for the ISB, incorporating changes based on the results of the recommendations above.
3. At its discretion, GA pursues alternative models and report back to the ISB.

**Digital State Survey  
(not an agenda item)**

The motion as amended was adopted unanimously. Chairman Dear noted the accomplishment by DIS in the latest rounds of the Digital State Survey. Mr. Kolodney gave credit to the other organizations that were involved in these successes.

**Statewide Information  
Technology Security Policy**

Mr. Paul Taylor, DIS Deputy Director and Chief of Staff to the Board presented new information on the State IT Security Policy. At the request of Dr. Ed Lazowska and at the direction of the Chair, DIS had met with representatives at the University of Washington and two substantial changes were made to the language of the policy. First, a purpose section was added. Second, language was added about the policy applying to institutions of higher

**Statewide Information**

**Technology Security Policy**

education except in cases where an institution develops security policies that are consistent with the intent of the Board and that more closely meet the needs of the institution's operating environment. Language clarifications were also made as suggested by the State Auditor and Senator Cantu.

Mr. Taylor recognized other collaborators on the project including the Digital Government Executive Steering Committee, the public sector information technology community and others, including a long-term enterprise security architecture project that was started in early 1999. He introduced Jeff Scheel who was brought in for his national expertise in the area of policy development on that project.

It was moved and seconded to adopt the security policy. The more recent changes to the policy were noted. The motion was adopted unanimously. Mr. Cantu suggested that DIS make the policy available to the public on *Access Washington* and Mr. Taylor agreed that it would be done.

**Department of Corrections  
OMNI (Offender Management  
Network Information) Update**

Mr. Stan Ditterline, Senior Information Technology Management Consultant, DIS, provided background on OMNI, which has its roots in a project begun in early 1998. A major business change occurred during the course of the acquisition and project implementation. The 1999 Legislature enacted ESSB 5421, the Offender Accountability Act (OAA), that reformed the system of the supervision of offenders in the community. Mr. Ditterline introduced Mr. Joe Lehman, Secretary of the Department of Corrections (DOC), and Mr. Steve Formatt, IBM Global Systems Project Manager for OMNI to provide a status report.

Mr. Lehman reported that DOC had entered into a contract with IBM Global Services on September 21, 1999, and held a project kick-off on November 30, 1999. From December 1999 to April 2000, they engaged in startup activities. In terms of phase one applications, they have almost completed all of the joint application design sessions relating to records, sentence structure, time accounting, chronological entries, detainees and other components. They completed the first release of the new data warehouse in consideration of the new business practices resulting from the OAA.

**Department of Corrections**

The OAA, which went into effect on July 1, 2000, significantly changes the way DOC does business and particularly how it manages offenders within the community. Over the past year, DOC has

**OMNI (Offender Management Network Information) Update**

worked to redefine business practices and policies that would drive those activities; these are completed and have been provided to OMNI staff and both IBM and DOC project staff. To ensure that the new information system supports DOC's mission and vision under the OAA and to gain the greatest value from the project dollars, the agency needs to make changes in the project including the phase one process.

Mr. Lehman said that the feasibility study of 1998 was based on the system at that time and did not reflect the new OAA requirements. However, whether or not OAA occurred, OMNI was needed to replace the old legacy database that was labor intensive, redundant system. Staff had spent an inordinate amount of time around data entry that would be better spent working with offenders. One of the original aspects of phase one was to deliver benefits as quickly as possible to staff working on the street. An early proposal was a graphical user interface while migrating from the old legacy system to the relational database under OMNI. Since OAA, it doesn't appear prudent to do screen scraping over existing screens that reflect the old business the old business practices. So, DOC and IBM are instead moving quickly to implement a web browser interface with the offender accountability plan. This avoids spending money on scraping and creating a user interface over applications that OAA has made obsolete, and instead results in a relational database with a core piece of information that is the case finding process in the field.

A significant, completed deliverable of phase one is the data warehouse. It enables the agency to move from a reactive structure to a proactive, problem-solving structure. DOC wants to expand it by getting the performance measures they are now developing into the database more quickly than currently scheduled. DOC and IBM are now examining phases two and three and reprioritizing within existing dollars to move up the functions that are most applicable to the OAA. DOC's actions are entirely within the scope and intent of OMNI, which was to develop a relational database information system that supports the business practices.

Responding to questions from the Board, Mr. Lehman said that officers in the neighborhood can use a laptop to access the information they need about an offender, what's happening in that neighborhood, where the high-risk offenders are and



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where the crimes are occurring. DOC is moving to a model that says crime will occur when a potential offender is afforded the opportunity of available targets in situations that reduce guardianship. The model is much more complex, meaningful and effective than the previous approach.

Even with the changes required by OAA, DOC is operating within the scope and the assumption that this is the same project. The deliverables that will be made available in phase one will be much more meaningful to the jobs that people are actually going to be doing. DOC is working to stay within the \$28 million, although the new business practices and changes may ultimately change that.

Senator Cantu pointed out the importance of the phased-in approach, that each phase of the project is stand-alone so that each phase has value even if for some reason the project would be able to continue. Since OAA means a significant change to the project, it calls for a greater external quality assurance oversight to assure that the Board is aware of the status, consequences and added value. Mr. Lehman said that DOC is approaching risk management and quality assurance very seriously and from three different perspectives: an independent quality assurance reporting to the Steering Committee which Lehman chairs, DOC's own internal quality assurance reporting to the Project Manager, and IBM's quality assurance reports.

In response to questions from the Board, Mr. Leman pointed out that the original contractual relationship was based on a feasibility that did not adequately reflect OMNI because the business practices of OAA did not exist at the time. Consequently, they are making adjustments to accommodate the new business practices driven by OAA. The Board asked that DOC return later in the year to report their progress on the project to the Board. Mr. Cantu asked that in the next report they include their change control process and risk management process.

**Digital Government Plan Update on Release 2.0**

Mr. Paul Taylor, DIS Deputy Director and Chief of Staff to the Board, introduced Release 2.0 of the Digital Government Plan. Mr. Taylor summarized release 1.0 that the Board authorized six months earlier. It includes the value proposition about business and service value to the citizen who is now in charge of his or her relationship to government. The business model assumed you could start where

**Digital Government Plan**

**Update on Release 2.0**  
(continued)

you are. There was a bias toward action. Other elements include the policy framework, the assumption that strategy determines structure, the enterprise approach, an incubation approach to dot-gov startups, and the convergence of infrastructure, policy and applications. The deliverables of release 1.0 were completed this afternoon with the Board's passage of the security policy.

There are now 115 Internet services online and another 95 in the planning or development stage. Six months ago, there were 22 net new applications that are now available.

Thematically, the contents of release 2.0 cover a community of value that has come together to create Digital Washington. It celebrates the results of release 1.0 and set out the deliverables of 2.0. Using the community metaphor, it discusses a building code for new development, strategies for digital readiness, collaboration, trading partners, and Internet-enabled supply chains.

The major theme of release 2.0 is citizen centricism, treating the citizen as both customer and owner of this enterprise. This includes closing the learning gap, public stewardship, public accountability, relevant online services, renewal of the governmental supply chain, and establishing dot-gov as core competence. The Board with DIS is the general contractor in the metaphor.

Release 2.0 starts with further refinement and growth of the portals, a plain English search function for the portal, Transact Washington moving toward single sign-on, and *Inside Washington* expanding access to local government. On the trust side, digital certificates are moving toward the availability of licensed certificates, and payments will reach a proof of concept around e-checks. In the area of applications, tools and support, there are initiatives around web-enabling mainframe data, and a web help desk for which an apparently successful vendor has been named with *Access Washington* as an anchor tenant. A CD-based approach will be implemented for long-term electronic storage.

The templating and outfitting model developed by the Digital Government Applications Academy continues; at this time 21 agencies are engaged in working on a template around e-forms. New policy work for the Board and others begins with the Digital Readiness Guide. The information technology security

**Update on Release 2.0**  
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standards and guidelines will be finalized. Working with GA, the staff of the Board is updating the state telecommunications wiring standards so that new leasehold improvements will make agencies Internet ready. There will be additional reporting on agency compliance with the privacy and piracy Executive Orders. A trading partner strategy will be developed to streamline authentication and payments for those with ongoing relationships with government. Finally, the plan will compress the efficiencies of the government supply chain-the ordering, processing and fulfillment parts of government business.

Like release 1.0, release 2.0 will have a time frame of six months. The six-month by six-month release window allows for the rapidly changing environment and allows a change in orientations. The first release was about vision casing and infrastructure, setting the preconditions for application development. The second release is about the flowering of those applications. The third release will build upon the first two.

Ms. Donahue asked the Board a question she keeps receiving: Where's the data that shows using technology improves learning (education) and government? It would be helpful to have a compilation of the productivity, progress or gains that this effort has accomplished in digitizing government. Chairman Dear told of an agency that is expected to free up 200 FTEs as a result of digital government initiatives. He agreed about the need to quantify value to taxpayers. Ms. McQueen added that quality of service could also be measured. Members agreed that the topic could be discussed at a later time.

**ISB Role in the Budget Process**

Mr. Taylor introduced Erika Lim, Senior Policy Advisor, to describe the upcoming budget development process and the ISB's role in it. As during the last cycle, agencies will develop their IT decision packages in the context of their portfolios, which includes rating proposed projects on the risk and severity matrix. The OFM budget instructions encourage agencies to identify which of their decision packages support three of the Governor's major priorities: digital government, salmon recovery and criminal justice integration. DIS staff will review the IT packages that are rated two and three and those packages will go to the Board for review. This process will likely begin at the next Board meeting and continue through the following in anticipation of the legislative session.

**ISB Role in the Budget**

Senator Cantu suggested that perhaps OFM could

**Process**

provide the Board with a copy of the information technology budget requests so that the Board could have an idea of the agencies needs. Mr. Taylor said that staff could make the request.

In response to Mr. Fitzsimmons, Ms. Lim said that the decision package proposals are tied not to dollars but to the risk and severity matrix that's used in other portfolio projects-and that one of the factors taken into account when rating a project is the dollar amount. OFM deals with the lowest risk projects, and projects rated at two or three are subject to review by Board staff.

Mr. Fitzsimmons asked whether there was a way to view projects that may be separate agency-by-agency but that share an interdependency with other agencies for their success. Other members replied that agencies were asked to indicate interface potential and that OFM has created some categories where agency projects interconnect. Overall, however, there is not a good mechanism for viewing interdependent projects. Several members indicated that this would be something to move toward.

**Public Comments**

There was no public comment.

**New Business**

There was no new business.

**Adjournment**

The meeting was adjourned.